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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11
	:
MOTORS LIQUIDATION COMPANY, <i>et al.</i>,	: Case No.: 09-50026 (REG)
f/k/a General Motors Corp., <i>et al.</i>	:
	:
Debtors.	: (Jointly Administered)
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**RESPONSE OF APPELLEE GENERAL MOTORS LLC
TO APPELLANT RALLY AUTO GROUP, INC.'S DESIGNATION
OF RECORD ON APPEAL AND STATEMENT OF ISSUES**

Appellee, General Motors LLC (“**New GM**”), respectfully submits this Response to the Designation of Record on Appeal and Statement of Issues filed by appellant, Rally Auto Group, Inc. (“**Rally**”).

A. Counter-Designation of Record on Appeal. In addition to the documents designated by Rally in its Designation of Record on Appeal, New GM designates the following additional documents to be included in the record on appeal:

1. *Order Denying the Oral Application of Rally Auto Group, Inc. for a Stay Pending Appeal of the Order Approving the Motion of General Motors LLC to Enforce 363 Sale*

Order and Approved Deferred Termination Agreement, Except to the Limited Extent Set Forth Herein, dated October 12, 2010 (“**Stay Denial Order**”) [Docket No. 7300]. A copy of the Stay Denial Order is annexed hereto as Exhibit “A.”

2. *Order to Show Cause*, dated October 14, 2010 (“**OSC**”), issued by the Honorable Robert P. Patterson, Jr., United States District Court Judge, United States District Court for the Southern District of New York (“**District Court**”) in Miscellaneous Matter No. M47 in the District Court (“**District Court Action**”), with respect to the request (“**Rally Stay Request**”) by Rally for a stay pending appeal. A copy of the OSC has previously been filed in the District Court Action.

3. *Memorandum of Law of Rally Auto Group in Support of Motion Pursuant to Bankruptcy Rule 8005*, dated October 14, 2010, previously filed by Rally in the District Court Action.

4. *Declaration of Steven Blatt*, dated October 14, 2010, previously filed by Rally in the District Court Action.

5. *Opposition of General Motors LLC to Motion for Stay Pending Appeal*, dated October 18, 2010, previously filed by New GM in the District Court Action.

6. *Declaration of Dale Sullivan in Opposition to Motion of Rally Auto Group, Inc. for Stay Pending Appeal*, dated October 18, 2010, previously filed by New GM in the District Court Action.

7. *Declaration of Gregory R. Oxford in Opposition to Motion for Stay Pending Appeal*, dated October 18, 2010, previously filed by New GM in the District Court Action.

8. Transcript of the Hearing held in the District Court Action on October 20, 2010 (“**October 20 Transcript**”) before the Honorable Robert P. Patterson, Jr. in connection with the Rally Stay Request. A copy of the October 20 Transcript is annexed hereto as Exhibit “B.”

9. *Opinion and Order*, dated October 29, 2010 (“**Opinion**”), issued by the Honorable Robert P. Patterson, Jr. in the District Court Action. A copy of the Opinion is annexed hereto as Exhibit “C.”

B. Statement of Issues on Appeal.

1. Whether the Bankruptcy Court had subject matter and exclusive “core” jurisdiction to interpret, enforce and settle any disputes concerning the terms of its 363 Sale Order and Rally’s Wind-Down Agreement, including the Bankruptcy Court’s injunction against Rally’s filing of any action or other proceeding against New GM (363 Sale Order, § 47) and Rally’s agreement not to file any action or proceeding against New GM (Wind-Down Agreement, ¶ 5(d)).

2. Whether the Bankruptcy Court correctly concluded that Rally had no statutory or constitutional right to judicial review of its award under the Dealer Arbitration Act absent fraud or misconduct of the arbitrator, which was not demonstrated by Rally.

3. Whether, assuming *arguendo* a right to judicial review of the arbitration award, such review would have been within the exclusive jurisdiction of the Bankruptcy Court.

4. Whether, assuming *arguendo* a right to judicial review, the Bankruptcy Court correctly concluded that Rally failed to demonstrate any legal or factual grounds for overturning the arbitration award.

5. Whether the Bankruptcy Court correctly concluded that New GM did not waive its right to object to judicial review by proceeding to arbitrate under the Commercial Arbitration Rules of the American Arbitration Association after expressly stating that it did not accede to those rules to the extent they were inconsistent with the Dealer Arbitration Act.

6. Whether the Bankruptcy Court correctly concluded that the doctrine of judicial estoppel did not preclude GM from filing its motion to enforce the 363 Sale Order and Wind-Down Agreement in the Bankruptcy Court.

7. Whether Rally's failure to obtain a stay of Judge Gerber's October 12, 2010 order, the consequent termination of Rally's Chevrolet Dealer Agreement on October 31, 2010 and New GM's appointment of a replacement Chevrolet Dealership in the area previously served by Rally requires dismissal of Rally's appeal as moot.

Dated: November 23, 2010
New York, New York

Respectfully submitted,

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